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doubts that many changes are needed. This volume should be read by every member of every faculty and every trustee, whether the author's ideas are accepted or not.

From a literary standpoint the book is greatly marred by its redundancy. One gets wearied by having the same thought constantly presented. It must be remembered too that the picture drawn will not apply equally at all points and to all schools. This the author often says. For instance, in some colleges the finances are well managed.

Mr. Birdseye states that the chief duty of the college is to prepare for citizenship and therefore that the intellectual is not alone to be considered. Here he goes too far. It is no more the business of the college to prepare for citizenship than it is of the home, the public school, the church, or any other social institution.

The author may be too sanguine as to the benefits of the changes he suggests. Be this as it may, the time is surely ripe for improvement. Mr. Birdseye says political science is to be the backbone of the new college course. Does the fact that he is a lawyer color his opinion? Why study the state rather than other social institutions? In one respect he is right, the study of man, his history and his institutions is destined to supplant those studies whose roots as well as whose tops are in the air.

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Cleveland, F. A., and Powell, F. W. *Railroad Promotion and Capitalization in the United States.* Pp. xiv, 368. Price, \$2.00. New York: Longmans, Green & Co., 1909

This work is distinctly the best of all recent contributions to the history of railroad construction. Its title is misleading, as it deals but briefly with many subjects which the reader would expect in a book on present day "Railroad Promotion and Capitalization." It is a concrete financial history of railroad construction in the aggregate, and it is the intention of the authors to treat present-day promotion and capitalization in a separate volume.

Fully and with authorities cited, the various factors which influenced the construction of the railway net-work are explained—the inadequacy of canals, and turnpikes, the embargo and war of 1812, the effect of early experiments and literature, the rivalry between competing ports and inland cities, traffic conditions, local, state and federal aid, private ways and means of procuring capital.

While the work is primarily historical, two chapters in particular dealing with promotion of to-day have been inserted. One of them contains a welcome discussion of a subject of which but little has thus far been written, namely, "financial institutions and syndicates as agencies of capitalization." The other deals with the "promotion of private companies." The views on investment, speculation and gambling expressed in this chapter are

open to serious criticism. It is held that "investment is a capital venture which is entered upon as the result of calculative judgment. In principle speculation is gambling, the difference being a matter of law. The gambler or the speculator places a wager on the happening of one or more events, over which he has little or no control. In case the stipulated event does not happen according to the terms of the agreement, the speculator or gambler usually forfeits all right to the capital ventured, *i. e.*, he loses his margin or wager. . . . The stock speculator may not know even the location of the railroad or other enterprise whose stock is margined. The only facts before his mind are the market quotations of yesterday and to-day, his only hope is for a fluctuation in the price which will determine the wager or contest in his favor . . . Investment, on the other hand, carefully considers the industry, enterprise or security to be purchased. . . . From the point of view of general welfare, speculation and gambling are vicious."

The presence of gambling in the stock market and the trading on margins has doubtless confused the writer of these views. There is far greater difference between gambling and speculation than there is between speculation and investment. Gambling is a matter of blind chance, but speculation is as much a matter of calculative judgment and careful consideration of industry, as is investment. Gambling is a wager on prices, but speculation involves the purchase or sale of actual property. The bucket-shop keeper must be distinguished from the legitimate broker. Likewise, the idea that the purchase of stocks outright is investment, while the purchase on margin is gambling is fallacious. Any purchase made in the hope of a rise in price, whether for cash or on margin is speculative. The margin does not make it gambling any more than the operation of a grocery store on money partly borrowed makes it gambling. It is equally wrong to say that the speculator depends only upon market quotations while the investor studies fundamental conditions. Any purchase or sale for a rise or a fall in value is speculative. Pure investment depends upon the yield of the security in interest or dividends, and as soon as the investor is influenced by an expectation of gain through a future change in the security's value he becomes speculative. There are very few investors who are not also speculators. There is no similarity between gambling and speculation, but a very close connection between speculation and investment. Gambling is vicious, but there is nothing wrong in sane speculation.

This criticism in no way should detract from the historical treatment which makes up the bulk of the volume. It is an authoritative historical work of the highest merit. The abundant citations of consulted authorities give evidence of the vast amount of labor performed, and the bibliography is in itself a contribution to railroad literature. Every library and student of railway history should have a copy as a bibliographical reference and as an excellent history of railroad construction.

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